

**PROPOSED MODIFICATIONS TO THE
MANUAL FOR PLANNING AND EXECUTION OF
STATE PERMANENT IMPROVEMENT PROJECTS, PART II**

1. Insert the following paragraph after the first paragraph of Part 3.1.2 of Chapter 3.1:

Under Section 11-35-840, the State Engineer may authorize an agency to conduct a procurement above the agency's certification. Such authority will be granted in very limited circumstances, as determined by the State Engineer.

2. Modify Part 1.3 of Chapter 1 as follows:

A, Insert the following after the first sentence:

According to Section 11-35-830, all procurements involving construction and construction-related design services, including any pre- and post- procurement activities in this area, must be conducted in accordance with the Manual for Planning and Execution of State Permanent Improvements, Part II. As provided by Regulation 9-445.2145(F), Part II of this manual is the responsibility of the Office of the State Engineer. In his sole discretion, the State Engineer reserves the right to excuse compliance with part or all of this manual (except where it simply restates the law). Any such authority will be in writing and will be provided only in very limited circumstances.

B. Make the remainder of the existing paragraph starting with the sentence that starts with the words "While OSE prepared this Manual ..." a new paragraph (that is the second paragraph of two in this Part).

3. Modify the second sentence of the first paragraph of Part 10.6 in Chapter 10, as follows:

"The procedures and requirements listed in this chapter for the acquisition of real property may apply to a lease-purchase of real property arrangements. If the property acquisition involves the construction of new improvements, the Procurement Code may apply. Because the Board handles each lease-purchase on a case-by-case basis, the Agency should contact both the State Engineer and the Division of General Services - Real Property Services to determine the applicable proper procedures."

4. Modify the second paragraph of Part 10.6 of Chapter 10 as follows:

"Regardless of which acquisition procedures apply, the~~The~~ Agency must assure that the lessor prepares all construction plans and specifications for all lease-purchase construction projects in the same manner and to the same standards that apply to normal state construction projects. If the acquisition is governed by the Procurement Code, OSE will review the construction plans and specifications using the same process it does in other construction projects. If the acquisition is not governed by the Procurement Code, At the time of purchase (transfer of ownership to the Agency), the Agency will have to have the property assessed, at the time of purchase (transfer of ownership to the Agency), in accordance with the requirements of the Capitol Budgeting Unit (see Part 10.2 above)."

5. Modify Part 10.7 of Chapter 10 as follows:

10.7 LEASING AND RENOVATION OF STATE PROPERTY BY OTHERS

If the Agency intends to lease state real property to another party, the Agency must ordinarily do so through General Services - Real Property Services. If the leasee will be improving the property, or if

the lease otherwise involves an acquisition of construction, the Agency must first consult with the State Engineer.

Any lessee intending to perform construction on or renovations to state property must do so in accordance with all applicable codes and standards described in Chapter 5. The lessee must prepare construction plans and specifications in the same manner and to the same standards that apply to normal state construction projects, and submit them to OSE for review and approval prior to construction.

The Procurement Code may apply to the design and construction of any improvements to state property leased to others. Because OSE handles such leases on a case-by-case basis, the Agency must contact OSE to determine the proper procedures.

6. Modify Part 10.8 of Chapter 10 as follows:

10.8 LEASING AND RENOVATION OF NON-STATE PROPERTY BY A STATE AGENCY

The Agency must ordinarily lease non-state property through General Services - Real Property Services. If the Agency constructs on or renovates non-state property, it must procure such construction or renovation in accordance with the Procurement Code. Construction plans and specifications for all construction projects involving non-state leased property, whether procured by the state agency or by the owner of the property, must comply with the requirements of the local building officials.